

VIRGINIA
Form 301
INDIVIDUAL TAX

ENTERPRISE ZONE CREDIT
INDIVIDUAL TAX

Attach this form to your return

20

Qualification year

- | | |
|-----------------------------------|------------------------------------|
| <input type="checkbox"/> 1st year | <input type="checkbox"/> 6th year |
| <input type="checkbox"/> 2nd year | <input type="checkbox"/> 7th year |
| <input type="checkbox"/> 3rd year | <input type="checkbox"/> 8th year |
| <input type="checkbox"/> 4th year | <input type="checkbox"/> 9th year |
| <input type="checkbox"/> 5th year | <input type="checkbox"/> 10th year |



Name(s) as shown on return or form

Social Security No./FEIN

Zone Location Code

(1) Total tax due	(1)	
(2) Qualified business firm income	(2)	
(3) Percentage of business done within the enterprise zone	(3)	%
(4) Income attributable to enterprise zone activity (line 2 multiplied by line 3)	(4)	
	Total	Zone
(5) Percentage of enterprise zone income to total income	(5)	%
(6) Tax attributable to enterprise zone activity (line 1 multiplied by the percentage on line 5)	(6)	

FOR BUSINESSES QUALIFYING PRIOR TO JULY 1, 1995

General Tax Credit:

(7) Applicable percentage	(7)	%
(8) General tax credit (line 6 multiplied by the percentage on line 7)	(8)	

Unemployment Tax Credit:

(9) Current year unemployment tax credit (see instructions)	(9)	
(10) Carryover unemployment tax credit from prior years	(10)	
(11) Total unemployment tax credit available this year (add line 9 and line 10)	(11)	
(12) Tax attributable to enterprise zone activity, less any general tax credit (line 6 less line 8)	(12)	
(13) Credit utilized this year (lesser of line 11 or line 12)	(13)	
(14) Credit carryover to subsequent year (subtract line 13 from line 11)	(14)	

FOR BUSINESSES QUALIFYING ON OR AFTER JULY 1, 1995

General Tax Credit:

(15) Applicable percentage (see instructions)	(15)	%
(16) Available credit (line 6 multiplied by the percentage on line 15)	(16)	
(17) Credit authorized by the Department of Housing and Community Development	(17)	
(18) General tax credit (enter the lesser of line 16 or line 17)	(18)	

Real Property Improvement Tax Credit:

(19) Qualified zone improvements eligible for the credit	(19)	
(20) Available credit (line 19 multiplied by 30%)	(20)	
(21) Credit authorized by the Department of Housing and Community Development	(21)	
(22) Lesser of line 20 or line 21	(22)	
(23) Credit utilized this year (see instructions)	(23)	
(24) Amount of REFUNDABLE credit (subtract line 23 from line 22)	(24)	

Zone Investment Tax Credit:

(25) Zone investment tax credit negotiated with the Department of Housing and Community Development	(25)	
(26) Zone investment tax credit used in prior years	(26)	
(27) Total zone investment tax credit available this year (subtract line 26 from line 25)	(27)	
(28) Credit authorized by the Department of Housing and Community Development	(28)	
(29) Lesser of line 27 or line 28	(29)	
(30) Credit utilized this year (see instructions)	(30)	
(31) Credit carryover to subsequent year (subtract line 30 from line 27)	(31)	

Total Enterprise Zone Credit:

(32) Enter the total of all applicable Enterprise Zone Credits for this year (add lines 8, 13, 18, 23 and 30)	(32)	
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FORM 301 INSTRUCTIONS — INDIVIDUAL TAX

GENERAL INFORMATION: Enter the zone location code in the box located at the top of the form. This code number can be obtained from the Certificate of Qualification from the Department of Housing and Community Development.

The following rules apply when computing tax credits:

- Where a credit is limited to a percentage of the tax, the "tax" for this purpose shall be gross tax, less the credit for taxes paid to other states.
- Other income tax credits should be claimed in the order in which they provide the maximum benefit, regardless of the order shown on the return.
- Claim only as much credit as can be used to offset tax liability (exception: refundable credit portion of the real property investment tax credit) and keep accurate records of the carryover available for each credit.

LINE BY LINE INSTRUCTIONS:

- (1) Enter the total tax (line 17 from Form 760 or 760PY, line 4 from Form 770, or line 18 from Form 763) less any credit for taxes paid to other states claimed on Schedule ADJ, Schedule CR or Form 770, as applicable.
- (2) Enter the amount of income derived from a qualified business firm operating within an enterprise zone. Sole proprietorships enter the income reported on federal Schedule C. S corporation shareholders and partners enter the distributive share of income reported to them on federal Schedule K-1. Wages received from a partnership or S corporation may not be included on this line.
- (3) Enter the percentage of business done within the enterprise zone. Qualified business firms having taxable income from business activity both inside and outside of an enterprise zone must allocate and apportion on Schedule A (Form 500) their taxable income attributable to the conduct of business according to Section 59.1-280(G), *Code of Virginia* and Title 13 *Virginia Administrative Code* (VAC) 5-111-50. Schedule A (Form 500) must be attached to Form 301. Partners and shareholders of S corporations should receive a Schedule A (Form 500) from the partnership or S corporation, completed for this purpose, and attach it to their Form 301.
- (4) Multiply the amount on line 2 by the percentage on line 3 and enter the result here and in the "Zone" column on line 5. If all business was conducted inside the zone, enter the amount from line 2 in the "Zone" column on line 5.
- (5) Enter Virginia adjusted gross income (line 9 of Form 760, line 10 of Form 760PY or 763, or Line 3 of Form 770) in the "Total" column and zone income from Form 301, line 4 in the "Zone" column. Divide the "Zone" income by the "Total" income and enter the percentage in the third column.
- (6) Multiply line 1 by the percentage on line 5 and enter the result.

FOR BUSINESS QUALIFYING PRIOR TO JULY 1, 1995

General Tax Credit:

- (7) Enter the applicable percentage corresponding to the qualification year as follows:

Operations prior to July 1, 1992

- | | |
|---------------------------|--------------------------------------|
| (a) First tax year - 80% | (c) Third tax year - 40% |
| (b) Second tax year - 60% | (d) Fourth and fifth tax years - 20% |

Operations beginning on or after July 1, 1992

- | |
|--|
| (a) First tax year - 80% |
| (b) Second through tenth tax years - 60% |

- (8) Multiply the amount on line 6 by the percentage on line 7. This is your current year general tax credit. Any unused tax credit in this category may not be applied to future tax years.

Unemployment Tax Credit:

- (9) The unemployment tax credit amount is equal to the amount of state unemployment tax paid on employees within the enterprise zone multiplied by the applicable percentage. The percentages are as follows:

Operations prior to July 1, 1992

- | | |
|---------------------------|--------------------------------------|
| (a) First tax year - 80% | (c) Third tax year - 40% |
| (b) Second tax year - 60% | (d) Fourth and fifth tax years - 20% |

Operations beginning on or after July 1, 1992

- | |
|--|
| (a) First tax year - 80% |
| (b) Second through tenth tax years - 60% |

- (10) Enter the carryover amount from the prior year. Attach computation of the carryover amount.
- (11) Add lines 9 and 10. This is the total unemployment tax credit available for the year.
- (12) Enter the remaining tax attributable to enterprise zone activity (line 6 less line 8).
- (13) Credit utilized this year: Enter the amount on line 11 or line 12, whichever is less.
- (14) Credit carryover to subsequent years: Subtract the amount on line 13 from the amount on line 11.

FOR BUSINESSES QUALIFYING ON OR AFTER JULY 1, 1995

General Tax Credit:

- (15) Enter the percentage authorized by the Department of Housing and Community Development.
- (16) Multiply the amount from line 6 by the percentage on line 15.
- (17) Enter the amount of credit authorized by the Department of Housing and Community Development.
- (18) Enter the lesser of line 16 or line 17. This is your current year general tax credit. Any unused tax credit may not be applied to future tax years.

Real Property Improvement Tax Credit:

- (19) Enter the amount of qualified zone improvements eligible for the credit. This amount is authorized by the Department of Housing and Community Development.
- (20) Multiply the amount from line 19 by 30% to determine the potential credit. The maximum credit amount cannot exceed \$125,000.
- (21) Enter the amount of real property improvement tax credit authorized by the Department of Housing and Community Development.
- (22) Enter the amount from line 20 or line 21, whichever is less.
- (23) Enter the amount from line 22, not to exceed the individual tax liability minus all priority credits. For Form 760, 760PY and 763 the total amount of credit cannot exceed the income tax reduced by the total tax credits taken on Schedule CR and the amounts on lines 8, 13, 18 and 30 from this form, as applicable. For Form 770, the total amount of credit cannot exceed Form 770, line 4 reduced by the total tax credits on Form 770, lines 5(d), 5(e), 5(g), 5(h), and 5(i) and the amounts on lines 8, 13, 18 and 30 from this form, as applicable.
- (24) Amount of REFUNDABLE real property improvement tax credit: Subtract the amount on line 23 from the amount on line 22. Enter the refund here and on Schedule CR, Part XXVI, line 113.

Zone Investment Tax Credit:

- (25) Enter the amount of zone investment tax credit negotiated with the Department of Housing and Community Development.
- (26) Enter the total zone investment tax credit used in prior years.
- (27) Total zone investment tax credit: Subtract line 26 from line 25.
- (28) Enter the credit amount authorized by the Department of Housing and Community Development.
- (29) Enter the amount from line 27 or line 28, whichever is less.
- (30) Enter the amount from line 29, not to exceed the individual tax liability amount minus all priority credits. For Form 760, 760PY and 763 the total amount of credit cannot exceed the income tax reduced by the total tax credits taken on Schedule CR and the amounts on lines 8, 13 and 18 from this form, as applicable. For Form 770, the total amount of credit cannot exceed Form 770, line 4 reduced by the total tax credits on Form 770, lines 5(d), 5(e), 5(g), 5(h), and 5(i) and the amounts on lines 8, 13 and 18 from this form, as applicable.
- (31) Credit carryover to subsequent year: Subtract the amount on line 30 from the amount on line 27.
- (32) **Total Enterprise Zone Credit:** Enter the total of all applicable Enterprise Zone credits for this year from lines 8, 13, 18, 23 and 30. Enter the total here and on Schedule CR, Part 2, line 2 (Form 760, 760PY, 763) or for Form 770 filers, line 5(f).

NOTE: When qualifying in more than one enterprise zone, complete a separate Form 301 for each zone. Add the totals from each Form 301 and enter the grand total on Schedule CR, Part 2, line 2 (Form 760, 760PY, 763) or for Form 770 filers, line 5(f) of the return.

For additional information, call (804) 367-8031 or write the Department of Taxation, P.O. Box 1115, Richmond, VA 23218-1115. You can obtain most Virginia tax forms by connecting to www.tax.state.va.us.